nursing (but have not received a baccalaureate degree in nursing) as officers and to assign such officers to duty as nurses.

(2) An officer appointed pursuant to the program required by subsection (a) shall be appointed in a warrant officer grade or in a commissioned grade not higher than O-3. Such officer may not be promoted above the grade of O-3 unless the officer receives a baccalaureate degree in nursing.

(b) REPORT ON IMPLEMENTATION.—Not later than April 1, 1990, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the actions taken by the Secretaries of the military departments to implement the program required by this section.

SEC. 709. AUTHORITY TO DEFER MANDATORY RETIREMENT FOR AGE OF REGULAR OFFICERS IN A HEALTH-RELATED PROFESSION

Section 1251(c)(2) of title 10, United States Code, is amended—

(1) by striking out "A deferment" and inserting in lieu thereof "(A) Except as provided in subparagraph (B), a deferment";

(2) by striking out "67 years of age" and inserting in lieu thereof "68 years of age"; and

(3) by adding at the end the following new subparagraph:

"(B) The Secretary concerned may extend a deferment under this subsection beyond the day referred to in subparagraph (A) if the Secretary determines that extension of the deferment is necessary for the needs of the military department concerned. Such an extension shall be made on a case-by-case basis and shall be for such period as the Secretary considers appropriate.".

SEC. 710. RETENTION IN ACTIVE SERVICE OF RESERVE OFFICERS IN A HEALTH-RELATED PROFESSION

(a) ARMY.—(1) Subsection (c) of section 3855 of title 10, United States Code, is amended—

(3) by striking out "An officer" and inserting in lieu thereof "(1) Except as provided in paragraph (2), an officer";

(4) by striking out "67 years of age" and inserting in lieu thereof "68 years of age"; and

(5) by adding at the end the following new paragraph:

"(2) The Secretary of the Army may retain an officer (other than an officer in the Chaplains) in an active status under this section after the date on which the officer becomes 68 years of age if the Secretary determines that continued retention is

necessary for the needs of the Army.".

(2) Such section is further amended by adding at the end the following new subsection:

"(d) Subsection (a)(1) of section 324 of title 32 shall not apply to an officer during any period in which the officer is retained in an active status under this section.".

(b) NAVY.—Subsection (c) of section 6392 of such title is amended—

(6) by striking out "An officer" and inserting in lieu thereof "(1) Except as provided in paragraph (2), an officer":

(7) by striking out "67 years of age" and inserting in lieu thereof "68 years of age"; and

(8) by adding at the end the following new paragraph:

"(2) The Secretary of the Navy may retain an officer (other than an officer in the Chaplain Corps) in an active status under this section after the date on which the officer becomes 68 years of age if